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8 **UNITED STATES DISTRICT COURT**
9 **SOUTHERN DISTRICT OF CALIFORNIA**

10 GRACE E. LA,

11 Plaintiff,

12 v.

13 ANDRÁ LEONARD ALLEN; and FOREVER
14 DIAMONDS, a business entity of unknown origin,
inclusive,

15 Defendants.

) CASE NO. 08 CV 0532WQH WMc

) DECLARATION OF GRACE E. LA
IN SUPPORT OF OPPOSITION TO
MOTION TO DISMISS FOR LACK
OF VENUE OR IN THE
ALTERNATIVE TO TRANSFER
VENUE AND MOTION TO
DISMISS FOR FAILURE TO
STATE A CLAIM

) Date: August 11 ,2008
Time: 11:00 a.m.
Judge: Hon. William Q. Hayes
Dept.: 4

19 1. I, GRACE E. LA, am the Plaintiff in the above captioned action. I, have personal
20 knowledge of the following, so that if called and sworn as a witness, I could and would testify
21 competently thereto. I have read the declaration of Andra Allen dated June 19, 2008. The "alleged
22 facts" set forth therein are false in many regards, including but not limited to the following:

23 2. Mr. Allen offered to sell me an interest in his business, known as Forever Diamonds.
24 Further, while he was living in San Jose, California, I personally witnessed him give Forever
25 Diamonds business cards with his name and the company's name on it to several individuals and
26 I observed him solicit business for Forever Diamonds, in San Jose, California. I also observed him
27 take jewelry for repair from customers in San Jose, California. Mr. Allen also informed me that he
28 went to San Francisco to sell some diamonds. I observed these contacts within the state of

1 California, in San Jose, California during the period of at least April through August 2006. On or
2 about July 2006, Mr. Allen told me that I could purchase an interest in the business. All of Mr.
3 Allen's contact with me while I was in California as alleged in the First Amended Complaint
4 ("FAC") is true and correct.

5 3. The interest in Forever Diamonds constitutes a "security" under the laws of the state
6 of California and under the provisions of federal law, which I now understand. I did not know the
7 definition of a "security" until after this litigation was initiated. I was not given any prospectus by
8 Mr. Allen in connection with this offer to sell me an interest in his business. I have been given no
9 documentation from Mr. Allen evidencing my own ownership in the business Forever Diamonds,
10 although I have asked for such documentation.

11 4. Mr. Allen's statement as reference in paragraph 3 of his declaration, fails to state that
12 he did not do business with customers that he met in San Jose, California, when he was physically
13 present in San Jose. In fact, when necessary, in this litigation, we can locate the customers that he
14 did business with for Forever Diamonds, in the state of California, while Mr. Allen was present in
15 the state of California.

16 5. Contrary to Mr. Allen's statement in paragraph 6 of his declaration, he did offer to
17 sell me an interest in his business known as Forever Diamonds. I would have never wired Mr. Allen
18 One Hundred Five Thousand and No/100 Dollars (\$105,000.00) in funds in February 2007, had he
19 not made these promises and representations to me. It is preposterous to think that I would send him
20 a majority of my net worth as a "gift". Making a fit to Mr. Allen was never discussed. Buying and
21 interest in his business was discussed, as alleged in the FAC.

22 6. Contrary to Mr. Allen's statements in his declaration, all money given to him other
23 than for the investment in Forever Diamonds, were either loans or to investment in certificates of
24 deposit ("CDs") on my behalf. Mr. Allen told me that investing in CDs through him would give me
25 more interest than I could earn in California. The offer to provide interest in exchange for me wiring
26 him money is also a "security" under the laws of the state of California as well as federal law.

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1 7. Mr. Allen's statement as contained within paragraph 16 of his declaration, concerning
2 the alleged conversation is false. Mr. Allen told me that if I wired the money to him that I would
3 have an ownership interest in his business, Forever Diamonds.

4 8. Mr. Allen admits that he was in San Jose, California on or about February 5, 2007
5 because he states that I went to a local branch of the Bank of America to wire monies to him. These
6 monies were wired to Mr. Allen at his request so that I could obtain and ownership interest in the
7 business.

8 9. Thereafter, on or about February 26, 2007, at Mr. Allen's request, I wired another
9 Seventy Five Thousand and No/100 Dollars (\$75,000.00) to Mr. Allen so that he could invest it for
10 me at an allegedly higher interest rate than I could get for my money in California. I wired the
11 money to Mr. Allen based upon his request and promise to make more money for me through CDs
12 that he could obtain. CDs are securities under the laws of the state of California as well as federal
13 law.

14 10. Mr. Allen never provided me with the CDs. He never gave me profits from the
15 business, Forever Diamonds. Furthermore, Mr. Allen never provided me with any paperwork
16 showing that I owned an interest in Forever Diamonds, although I requested that such paperwork
17 be drawn up.

18 11. I never told nor intimated to Mr. Allen that I was giving any of the money to him as
19 a "gift". It would be preposterous for me to make a gift of substantially all of my net worth to Mr.
20 Allen. I never intended that the monies sent to Mr. Allen be gifts. They were not gifts and I have
21 requested through my attorneys that an accounting of the monies be given to me and that the monies
22 be returned. The demand for return of the money was made in San Diego, California, as were the
23 requests for an accounting.

24 12. Mr. Allen called by attorneys in California and told Mr. Christensen that he would
25 not be returning any of the monies that I forwarded to him. In addition, Mr. Allen refused to provide
26 an accounting of the monies.

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1 13. Mr. Allen has designed, unknown to me at the time, a giant fraudulent scam to take
2 virtually all of my net worth. He has now concocted a story that I, a school teacher, made gifts to
3 him of nearly all of my net worth. These contentions are false. I have been defrauded by Mr. Allen
4 and I deserve to have my money paid back to me with interest and other damages to which I am
5 entitled.

I declare under the penalty of perjury under the laws of the State of California that
the foregoing is true and correct. Executed this 28th day of July, 2008 in the City of San Jose, State
of California.


Grace E. La

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